

FISCAL NOTE

SB 3500 - HB 3448

March 3, 2006

SUMMARY OF BILL: Increases from \$100,000 to \$300,000 the liability limit on health insurance benefits paid by the guaranty fund.

ESTIMATED FISCAL IMPACT:


Other Fiscal Impact – The fiscal impact of this bill will be minimal to the extent that the guaranty fund could pay claims up to \$300,000 without an additional assessment to the insurance companies. However, if a greater amount paid from the guaranty fund results in an increase in the amount that insurance companies are assessed to pay to the guaranty fund, there will be a decrease in state revenues. Such decrease in state revenues could exceed \$100,000.

Assumptions:

- There are currently no outstanding claims against the guaranty fund.
- It is possible that a number of claims up to \$300,000 could be paid without an additional assessment.
- A greater amount paid from the guaranty fund could result in an increase in the amount that insurance companies are assessed to pay to the guaranty fund. Any monies paid to the guaranty fund by an insurance company are taken as a credit against the premium tax that insurance companies must pay. Companies may write-off up to twenty-five percent per year until the full credit against the premium tax has been taken.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable.

James W. White, Executive Director